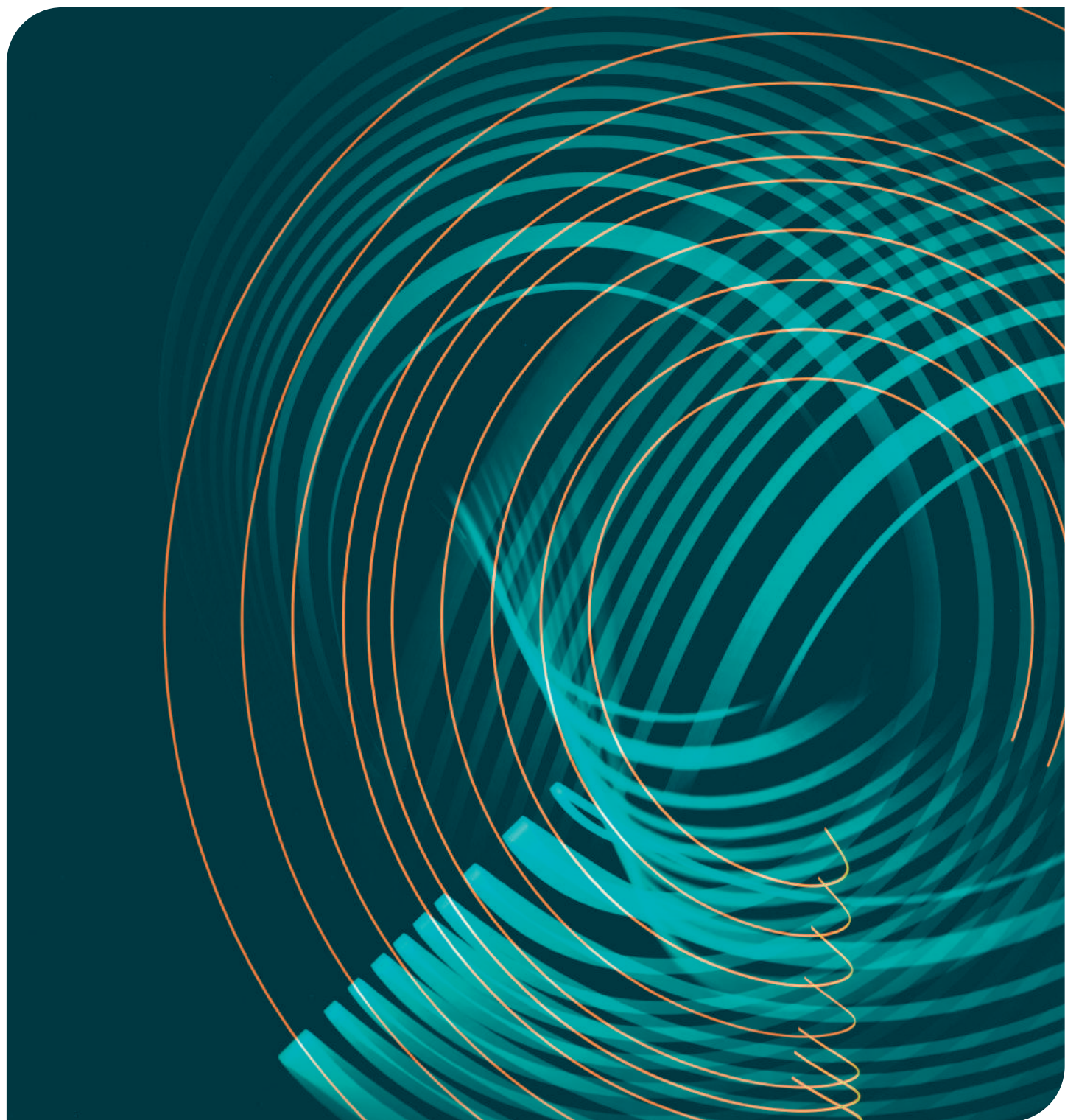




**Nexia**  
Audirevi  
Audit & Assurance



## Index

### Who we are

Nexia Audirevi	03
Our story	04
Our offices	05
Nexia International	06
Partners	07

### Services - Audit & Assurance

Audit methodology	09
-------------------	----

### Audirevi's approach

Phase 1: Identification of risks and planning of activities through understanding the Company	12
Phase 2: Definition and development of the audit plan in response to risks	14
Phase 3 and 4: Conclusion activities and drafting of the audit report and communication with corporate bodies and control bodies	15

Communication and sharing of information	16
--	----

Internal quality control and shared values	17
--	----

Contacts	18
----------	----

# Nexia Audirevi

Founded in 1983 as an Independent Audit and Accounting Organization and member of Nexia International, Audirevi is a multifunctional reality that supports companies in their activities of:

**Audit & Assurance**

**Transaction  
& Advisory**

**Risk & Compliance**

**ESG & Sustainability**

**Asseverations**

**Restructuring**

**Professional  
Training**

We are a team of qualified professionals, with interdisciplinary skills and experience in the field of auditing and consulting in national and international realities: a combination that allows us to provide a service of excellence to Clients and respond to the multiple needs of the markets.

The human value and the skills of our professionals, integrated with a rigorous and transparent service, are the quality mark guaranteed by Audirevi.



# Our story



# Our offices

The presence of 10 locations distributed throughout Italy (Milan, Rome, Pescara, Brescia, Cagliari, Ancona, Bologna, Varese, Bolzano, Verona), the international connection guaranteed by the Nexia network and the constant collaboration with professional firms of accountants and lawyers, have allowed Audirevi to grow and become a multidisciplinary reality.



# Nexia International

**Nexia International** is one of the largest global networks that brings together independent companies active in the field of auditing, tax assistance, and business consulting.

Nexia operates by leveraging the strength of the entire network, allowing the provision of global solutions by the associated companies to their Clients.

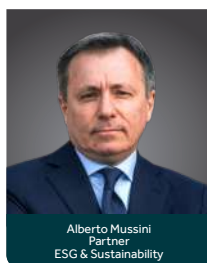
The reasons behind Nexia's success are international knowledge, experience, and lasting relationships. Choosing a company associated with Nexia means accessing a service that is not only of high quality, but also responsive, flexible, personalized, and guided, wherever you are. This is our commitment: Nexia, always close to you.



# Partners

Professional diligence, objectivity and confidentiality, respect for current regulations. We believe that the trust placed in us by the market is due to the dedication and professional integrity that qualifies our daily work and that of our collaborators.

Our mission is to make known the commitment and attention in carrying out activities, to guarantee high professional standards.





# Services - Audit & Assurance

In the Audit Area, the activity is carried out by an efficient and fast organization, which allows the audit to be based on strategic and functional business models.

The approach to the audit is based on achieving a deep understanding of the company as a whole, the market in which it operates, its resources and managerial standards, through which to govern work methods and structure. Thanks to an appropriate level of knowledge, it is possible to focus the approach on significant risks and their reflections at the level of balance sheet and corporate information. To achieve this goal, we involve all professionals within the Group with a direct and significant commitment to the assignment, so that a continuous process of communication between professionals and the Customer is implemented.

We adopt a methodology in line with national (ISA Italia) and international auditing principles and our Company is subject to quality controls carried out by the Ministry of Economy and Finance and CONSOB.

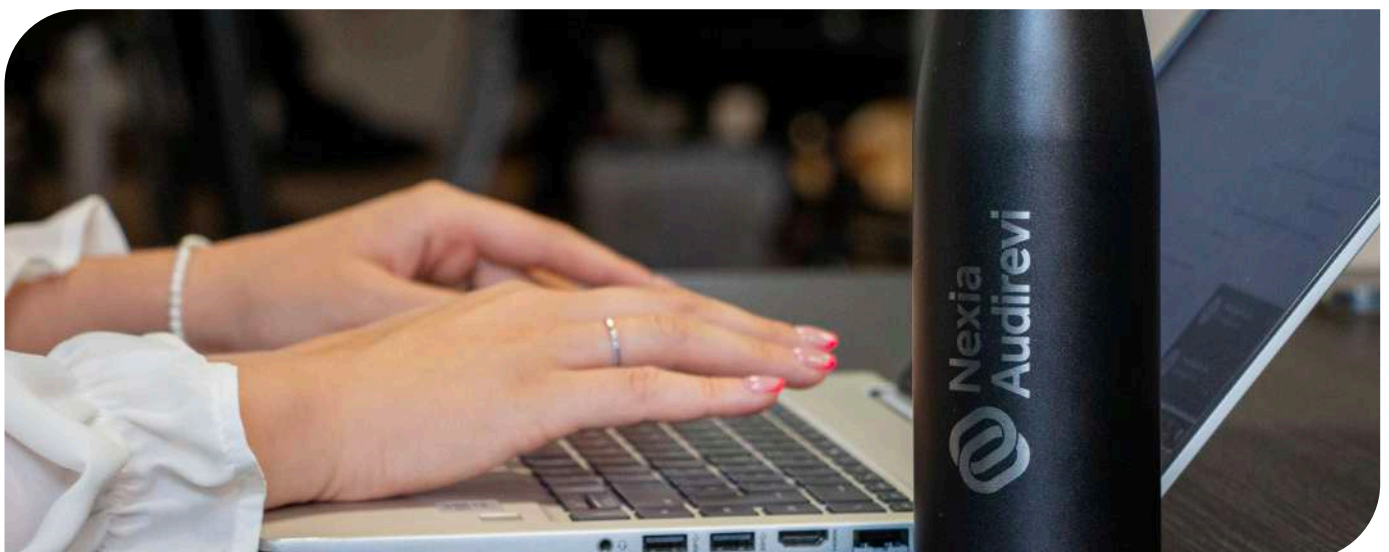
## Expertise



Consultancy



Auditing







# Audit methodology

The audit review according to the methodological approach of Audirevi must satisfy two fundamental purposes:

- Protect the public interest for correct corporate information;
- Provide a useful contribution to the company's management in understanding and analyzing risks, typical of the sector and specific to the company, and the problems of the related internal control system.

The first purpose must be pursued rigorously in verifying the compliance of corporate information with the law, integrated by technical standards.

The second purpose must arise, firstly, from an analysis of customer expectations in order to exploit the audit process to satisfy them and, secondly, from an approach that favors the understanding of the phenomena, qualitative and quantitative, that generate the asset - financial and economic results. Full knowledge of the company's activity, its organization, and its processes is not only indispensable for intelligent and effective planning and execution of the audit procedure, but allows the audit to be characterized as added value.

Audirevi has developed an audit approach that, in line with the most current regulatory provisions, such as international audit principles and ISA Italy, provides improvements in the effectiveness of the audit through a renewed top-down approach, guided by the partner and risk-based.

This type of approach presupposes:

The involvement of a partner with experience and knowledge of the Client's operational sector in all stages of review and particularly in the planning phase of the work.

The focus on identifying the risks associated with the client's operational sector on significant accounts and potential errors through the design of review procedures focused on the identified risks (risk based approach).

**Flexibility** understood as the ability to adapt the audit plan to changing circumstances and based on the client's locations and/or business activities.

The attention paid to fruitful and continuous exchanges of information with management and governance bodies (Board of Statutory Auditors, Supervisory Body, Internal Audit).

This methodology ensures that the work is carried out in perfect compliance with international auditing principles and ISA Italy in all its aspects and in all its stages, from planning, to execution and reporting.

# Audirevi's approach

The audit activity develops as a process, **which focuses on the knowledge of the typical risks of the sector and specific to the company, in the evaluation of the internal control processes that can mitigate the identified risks and in the development of an execution plan of checks compatible with these risks.**

The methodological approach of Audirevi through which these two objectives are achieved, in accordance with the auditing principles, is based on the concept of auditing seen as a continuous process and guarantees **respect for the timing of work execution with the aim of sharing and anticipating the solution of relevant issues.**

Our methodology, aligned with international auditing principles and new ISA Italy auditing principles, is based on the correlation between business risks, its processes and the exposure of business facts in the financial statements.

Planning, in accordance with the reference standards, takes into account the technical audit process, defines the composition of the work team and any specialist support (IT experts, tax consultants, lawyers, etc.).

The work plan develops following the "risk based" methodology which provides for the division of the audit process into the following four fundamental phases:

## 1

Identification of risks and planning of activities through:

- Understanding the company's respective environments, including internal control;
- Identification and assessment of risks, including risks that require special consideration (significant risks).

## 2

Definition and development of the audit plan in response to risks, through:

- The definition of procedures in response to risks;
- The performance of audit procedures.

## 3

Concluding activities, including:

- The coordination, direction and supervision of the results deriving from the activities carried out by the auditors involved in the assignment.

## 4

Concluding activities, including:

- The drafting of the audit report and further communications to the corporate bodies and control bodies.

The development of the different phases of the audit process also presupposes the performance of transversal activities, which are therefore present in all four phases, such as:

- the coordination, direction and supervision of the results emerged from the activities carried out by the auditors involved in the assignment;
- the activation of information flows and the preparation of the related documentation that will be made available to the corporate bodies, control and supervisory bodies.

## **Phase 1: Identification of risks and planning of activities through understanding the Company**

The Audirevi approach places strong emphasis on the planning phase of activities, which is the prerequisite for the correct execution of audit processes and allows for the early identification of problems and their timely resolution.

The approach is based on a thorough understanding of the company and its business, in order to focus the work on the riskiest areas.

Only a broad and deep knowledge of the sector allows for adequate planning of the work. Audirevi is able to involve professional figures within its structure to identify and examine relevant issues and the risks associated with them in advance, and to set up the audit work accordingly.

## **Understanding the Company**

One of the central aspects of Audirevi's audit approach is therefore the activities of understanding the Company under audit and the sector in which it operates, also taking into account the regulations and external factors that could influence the activities of the Client itself.

Understanding the internal and external context of the company allows the auditor to guide the planning of activities aimed at identifying and assessing risks and developing the audit plan. This activity involves significant involvement of the most experienced team members.

## Understanding of business processes and controls relevant for the audit

Understanding the accounting system and business processes is aimed at identifying and assessing risks and is therefore an essential phase in the audit process. In particular, in this area, understanding of the controls relevant to the audit is obtained.

By business processes, we mean all those transactions that, in aggregate, have a significant impact on the financial statements through one or more affected balance sheet accounts or financial statement information.

The information relevant for the performance of this part of the audit is normally derived from the examination of company procedures, which is mainly carried out through interviews with management aimed at retracing the design of the process and supported by the examination of the reference documentation (walkthrough).

The examination carried out during the first year of the assignment is constantly updated, taking into account the knowledge gradually acquired. The examination of business processes is functional to the identification of the risks that insist on the processes feeding the balance sheet and the related control activities that mitigate these risks.

The Audirevi approach provides that within the activities of understanding the information system relevant for the balance sheet, including the performance of controls, there is the involvement of Risk Management and IT Audit specialists, where necessary.

## Identification and assessment of risks

In phase 1, the identification and assessment of risks, carried out through extensive use of comparative analysis techniques, is particularly important.

The Audirevi methodology, in line with the provisions of the ISA Italy auditing principles, provides for the identification and assessment of risks both at the level of the balance sheet as a whole and at the level of classes of operations, subsequently determining whether any of the identified risks represent a significant risk, taking into account the following factors:

- whether there is a risk of fraud;
- whether the risk is related to recent and significant economic, accounting or other developments;
- the complexity of operations;
- whether the risk is related to significant transactions with related parties;
- the degree of subjectivity in the measurement of financial information related to the risk;
- whether the risk is related to significant operations outside the normal course of business for the company or which, in other respects, appear to be unusual.

## Phase 2: Definition and development of the audit plan in response to risks

Phase 2 of the audit process can be divided into three closely related and interdependent moments:

- the definition of the audit plan based on the preliminary assessment of control reliability;
- the performance of checks on the operational effectiveness of controls;
- the execution of substantive audit procedures.

The approach adopted by Audirevi for the audit of companies and groups with effective controls pursues, as far as possible, the objective of shifting the weight of the work to the phases of understanding the controls relevant to the audit and verifying their operational effectiveness, so that the time dedicated to the phase of carrying out substantive checks (substantive test) can be reduced, ensuring the optimization of the overall audit process.

The methods of verification and validation of controls can be of different types and vary from discussion, corroboration and observation to the use of recalculation techniques, statistical checks, etc., generally through the support of computer applications both for obtaining information and for their processing and subsequent analysis.

The Audirevi methodology, aimed at creating efficiency in the overall audit activity, allows to rely on the controls tested in the exercise or in the previous ones, performing the tests in rotation, if the following conditions occur:

- existence of tests on the operational effectiveness of the process over the previous two years with positive outcome;
- absence of significant risk;
- absence of negative results from line monitoring and independent monitoring by the Company;
- absence of change factors on the process.

The efficiency of the audit process will also be pursued through the performance of cross-checks carried out during the year and having the dual objective of:

- verify the operation of the controls;
- carry out detailed tests on transactions/balance sheet accounts.



The objective of the operationality tests of the controls is to assess that a control is implemented and operational, while the objective of the detail tests is to verify the absence of material errors in the financial statements.

Although referable to two distinct phases of the audit process, both objectives can be satisfied simultaneously by carrying out checks on a common sample of transactions and with the auditor's examination of the same documentation, thus avoiding redundancies and inefficiencies also in terms of requests to the Company's offices.

## **Phase 3 and 4: Conclusion activities and drafting of the audit report and communication with corporate bodies and control bodies**

In order to be able to issue the audit reports on the financial statements, it is necessary that the extent of the audit procedures has been sufficient to reasonably conclude that the financial statements have been prepared in accordance with the reference principles.

The Company's management will be promptly informed of any audit adjustments that may arise during the audit.

Among the concluding and reporting activities, the Audirevi audit methodology specifically provides for the communication to the Company of the results obtained, the obtaining of the attestation letter from the Management and the issuance of the audit report.

As for the communication of the results obtained, Audirevi intends to pursue a continuous communication approach with the Company's Management, which will therefore be kept constantly informed of the progress of the audit activities and the related possible problems encountered.

As for the Attestation Letter, it will be requested in accordance with the provisions of the ISA Italy auditing principle 580 and as indicated by the model contained in the Assirevi Research Document on the subject. These letters must be signed by the legal representatives of the Company and by those who are responsible for the administration and preparation of the financial statements.

It will also be the responsibility of the Administrators to inform the auditor about the occurrence of events that may affect the financial statements during the period between the date of the audit report and the date of approval of the financial statements.

In all four phases (planning and identification of risks, response to risks, conclusions and reporting), as well as in the execution of coordination, direction and supervision activities and in the activation of information flows towards the governance bodies, particular attention will be paid to the significant issues for your Company, with reference to the sectors in which it operates.

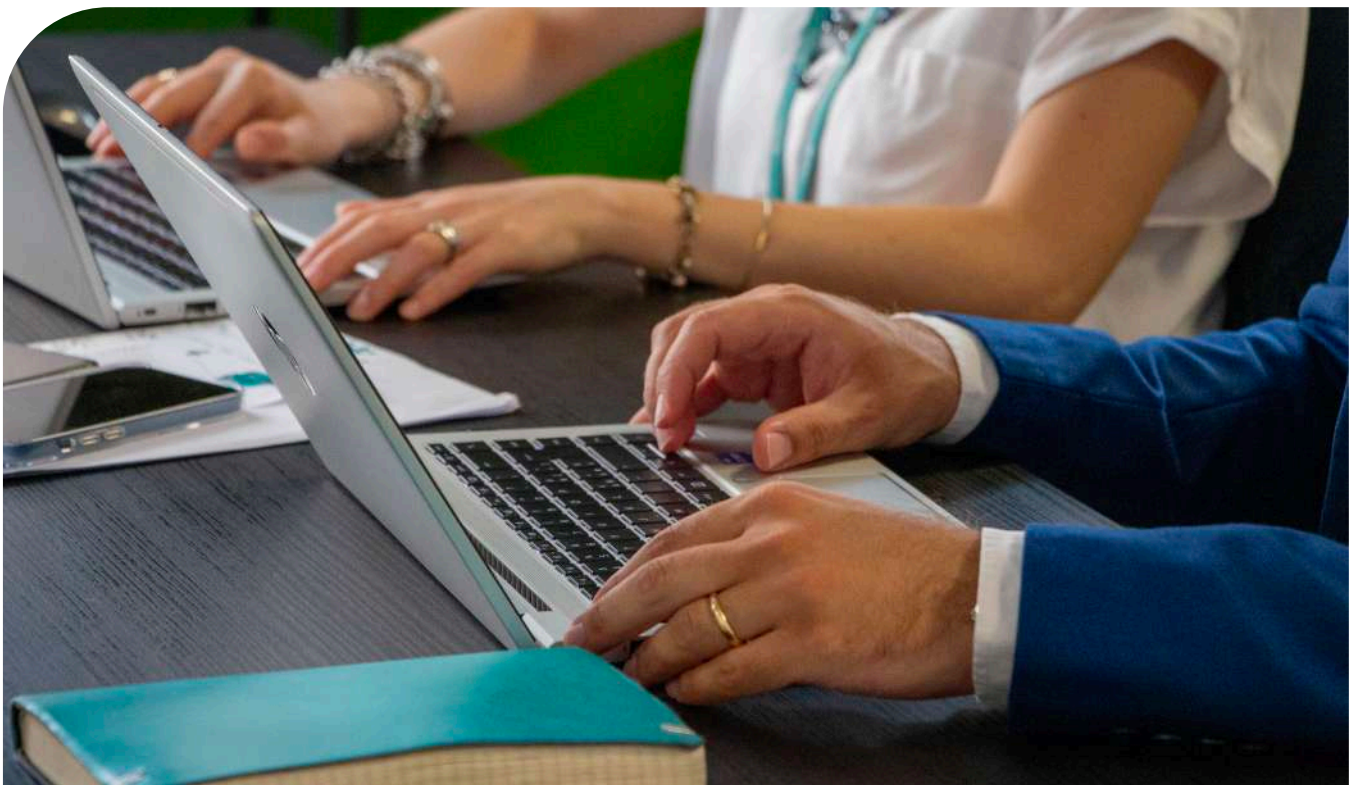
# Communication and sharing of information

We believe that timely and transparent communication is fundamental to an audit process, which is why [we envisage continuous and timely communication that will include:](#)

immediate communication to the Management of any accounting problems;  
sharing with Management of any new regulatory requirements.

To achieve this goal, it is our intention to meet with Management periodically. In compliance with professional auditing standards, we will hold periodic meetings with the control bodies.

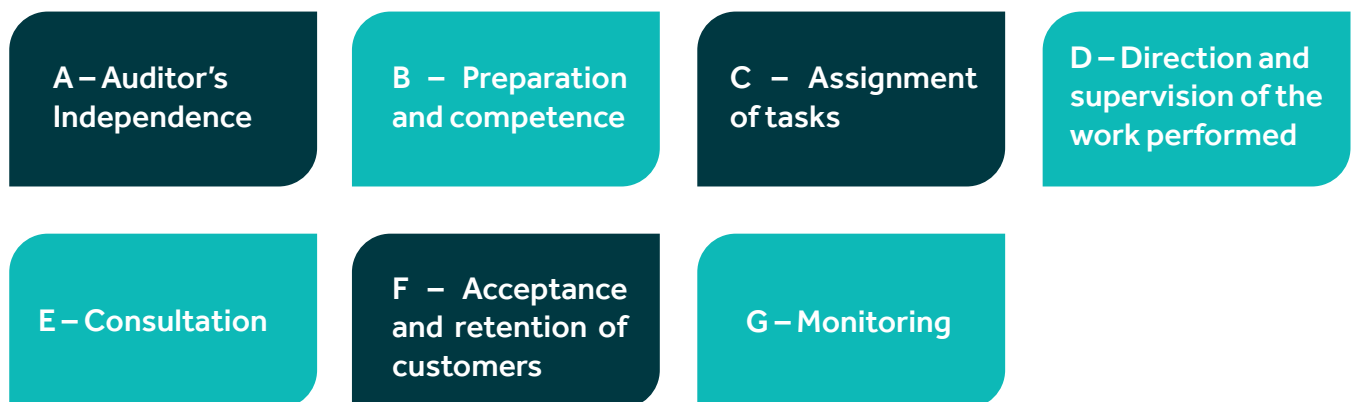
In addition, we will present to the internal control and audit committee an additional report pursuant to art. 11 of EU Regulation 537/2014, the aforementioned document will be prepared and sent no later than the date of issuance of the audit report.



# Internal quality control and shared values

The internal quality control system related to the management and conduct of statutory audit assignments adopted by Audirevi reflects what is dictated by auditing principle no. 220 established by the National Council of Chartered Accountants and the National Council of Accountants and is based on procedures that are periodically monitored to verify their correct application.

The procedures are listed and briefly summarized below:



Our system of values, shared with all staff, is realized in the audit phase, and is represented by the cornerstone pillars that characterize our methodology:

**INDEPENDENCE** – Audirevi staff must carry out the assignment given in the principle of impartiality and independence in compliance with both the policies adopted at the corporate level and the auditing principles.

**METICULOUSNESS** – The work must be complete and accurate. It is necessary to pursue any kind of logic that may appear useful to obtain the level of "assurance" (trust) required by the type of assignment.

**FUNCTIONALITY** – The work must be based on criteria of economy and focused on significant problems, limiting the audit procedures to the minimum necessary, in order to obtain the level of "assurance" required by the type of assignment.

Nexia Audirevi  
Audit & Assurance  
Via Paolo da Cannobio, 33  
20122 Milano

T: +39 02.87070700

[info@audirevi.it](mailto:info@audirevi.it)  
[www.audirevi.it](http://www.audirevi.it)

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